IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Serial No.:	10/694,872	Confirmation No.:	4103
Applicant:	Nigel J. Renton, et al.		
Title:	MANAGING THE EXECUTION OF TRADES BETWEEN MARKET MAKERS		
Filed:	October 28, 2003		
Art Unit:	3695		
Examiner:	Irene Kang		
Atty. Docket:	03-6171		
Customer No.	63710		

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Mail Stop AF
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

All rejections in the Action of March 2, 2011 either "[omit] one or more essential elements needed for a prima facie rejection" or have "clear errors."[1] Prosecution should be reopened.

Each of these arguments is more fully developed in the Request for Reconsideration filed earlier today, and those fuller arguments should be consulted as well.

§ 112 ¶ 1 issues

The language "determining … when an order to trade an instrument is placed by a market-maker" is supported in paragraph [0032], which describes how trading management rules differ for market-makers than for other traders. The language is further supported by the flowchart branch at the top of Fig. 4B.

[1] New Pre-Appeal Brief Conference Pilot Program § 4, 1296 Off. Gaz. 67 (July 12, 2005), http://www.uspto.gov/web/offices/com/sol/og/2005/week28/patbref.htm.

The Action requests identification of support for claims 128, 133, 138, 153, 156, 165, 176, and 177. The Amendment of November 2010 specifically drew the Examiner's attention to Paragraph [0051] which reads as follows:

> [0051] 15. Since market makers may believe they are, or intend to be, always passive, market maker API accounts may be set up such that the brokerage fees for all market maker transactions (both passive and aggressive) are the same.

Claim 140 is cancelled, without prejudice or disclaimer.

Claim 146 is supported at, among other places, Fig. 4B, boxes 202A, 202B, and 202C.

Claims 128, 129, and 154 vis-à-vis Katz '093

Each of these claims recites steps of "***determine[ing] whether the orders are placed by market-makers***" and then "***based on a determination … that the crossed orders are each from market makers***," taking some further action, such as adjusting the price of an order, or starting a timer to delay execution of orders.

The Action is exceedingly unhelpful. It appears that the Action ignores much of the claim language, and tries to bury that omission by citing almost four full columns of Katz '093, with no precision and no identification of elements of the reference thought to correspond to the particular elements of the claim. This apparent omission of claim language, and unhelpful over-citing, falls within the "omission of one or more essential elements needed for a prima facie rejection" ground for granting PreAppeal request for review. At the very least, prosecution should be remanded for an Action that provides a meaningful comparison of the claims to the reference.

Nothing in the cited four columns suggests determining whether an order is from a market maker so that trading rules can affect trading in the manner suggested in any of these claims, either adjusting price (claim 128, paragraphs (1)(a) and (1)(b); claim 129, paragraphs (a) or (b)) or adjusting time (claim 128, paragraphs (1)(c); claim 129, paragraph (c); claim 154 second paragraph) "based on[whether or not] orders are each from market makers." A "delay" timer is mentioned at col. 9, line 17, but it is triggered on a "fast market," not on whether the order's trader is a market maker.

Claim 170

The Office Action's discussion of claim 170 copies the errors discussed immediately above: the designated portions of Katz '093 do not describe determining whether orders originate from market makers, with the consequences recited in claim 170.

Further, the Action errs in its analysis of Katz '093 Col. 22, lines 1-26. Procedurally, the Action fails to explain any "pertinence" that the Examiner might have intended to show. Substantively, Katz '093 col. 22, lines 1-26 does the ***opposite*** of claim 170: Katz' "incoming public order" of Col. 22 lines 19-20 is ***later*** than the PMM market maker order, rather than ***earlier*** as recited in the last paragraph of claim 170.

Claim 177

The Action compares claim 177 to Fraser '214 "at least Col. 10, lines 11-35."

The first error is "omission of one or more essential elements needed for a prima facie rejection." What does "see at least" mean? Is the Action relying on other portions of Fraser '214 or not? Without some clarity and specificity, it is impossible to proceed to a meaningful appeal.

Fraser '214 Col. 10, lines 11-35 differs from the claim language in at least these two respects:

- The term "market maker" is entirely absent (the only reference to the word "market maker" in Fraser '214 is at col. 19, line 47, in a context that is irrelevant to Col. 10).
- Fraser '214 at lines 22-32 clearly discusses charging ***different*** fees to active-side and passive-side, not the ***same*** as recited in claim 177

The Office Action is procedurally and substantively insufficient to raise an anticipation rejection.

Conclusion

For these reasons, the finality of the Action of March 2, 2011 should be withdrawn, and the rejections should be reversed or prosecution should be reopened.

If this Pre-Appeal is denied, the PTO must give a statement of grounds that "examine[s] the relevant data and articulate[s] a satisfactory explanation for its action including a rational

connection between the facts found and the choice made."[2] The PTO must make a rebuttal showing on any disputed facts or laws. The non-communicative checkbox in typical Pre-Appeal Decisions is insufficient to meet the PTO's obligations under 5 U.S.C. § 555(e).

If any rejection is raised in the future, Applicant requests a complete Action that meaningfully advances prosecution and complies with PTO policy:[3]

> … … In any event, for each reference relied on in each rejection, **the PTO's policy is for the examiner to compare the rejected claims feature-by-feature or limitation-by limitation with each of the references relied upon in the rejection. This comparison should map the language of the claims to the specific page number, column number, line number, drawing number, drawing reference number, and/or quotation from each reference relied upon**. …
>
> … [The initial burden to formulate the details of a *prima facie* case of obviousness] rests solely upon the examiner.

It is believed that this paper occasions no fee. For the entire pendency of this application, the Commissioner is authorized to charge any additional required fees (including all extension of time fees), or credit any overpayment, to Deposit Account No. 50-3938, Order No. 03-6171.

Respectfully submitted,

BGC PARTNERS, INC.

Dated: September 2, 2011

By: /David E. Boundy/
Registration No. 36,461

BGC Partners, Inc.
110 East 59th St.
New York, NY 10022
(212) 294-7848
(917) 677-8511 (FAX)

---

[2] *Tourus Records Inc. v. Drug Enforcement Admin.*, 259 F.3d 731, 736–37 (D.C. Cir. 2001), *citing* 5 U.S.C. § 555(e) *and Motor Vehicle Manufacturers' Ass'n v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 52 (1983).

[3] *Ex parte Forest*, Appeal No. 2000-1901, http://des.uspto.gov/Foia/ReterivePdf?system=BPAI&flNm=rm001901 at 4, 2002 WL 33951036 at *2 (BPAI May 30, 2002) (informative). *See also Ex parte Berg*, http://des.uspto.gov/Foia/ReterivePdf?system=BPAI&flNm=fd020456 at 4, 2002 WL 32346092 at *2 (BPAI Feb. 6, 2003) (unpublished) ("the examiner must present a full and reasoned explanation of the rejection in the statement of the rejection, specifically identifying underlying facts and any supporting evidence, in order for appellants to have a meaningful opportunity to respond"). It is not an applicant's duty to guess at the Examiner's position. *Ex parte Schricker*, 56 USPQ2d 1723, 1725 (Bd. Pat. App. & Interf. 2000) (applicants are not required to "guess as to the basis of the rejection" or to "further guess… what part of [the references] supports the rejection").